UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

| n re: | |
|---|--|
| CELSIUS NETWORK LLC, et al.,1 | |
| Debtors. | |
| CELSIUS NETWORK LIMITED and CELSIUS KEYFI LLC, | |
| Plaintiffs, | |
| V. | |

JASON STONE and KEYFI, INC.,

Case No. 22-10964 (MG)

Jointly Administered

Chapter 11

Adversary Proceeding No. 22-01139 (MG)

DECLARATION OF PATRICK HOLERT IN SUPPORT OF CELSIUS' MOTION FOR PRELIMINARY INJUNCTION

I, Patrick Holert, declare under penalty of perjury:

Defendants.

- 1. I am the Chief Operating Officer for Celsius Mining LLC, which operates a Bitcoin mining business and is a fully owned subsidiary of Celsius Network Limited ("<u>Celsius</u>"). I was previously a Financial Risk Officer at Celsius.
- 2. I have a BA in Economics and Mathematics from Claremont McKenna College and attended the University of Chicago Booth School of Business.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network, Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey (07030).

DocuSign Envel 22-0:1339400 FDD 2507- F7FEDF 11/15/22 Entered 11/15/22 00:02:53 Main Document

I submit this declaration (the "Declaration") in support of Celsius' Motion for a

Preliminary Injunction. Except as otherwise indicated, all facts set forth herein are based on my

personal knowledge and on documents and information available to me based on my work for

Celsius.

3.

4. Beginning around September 3, 2020, certain of Celsius' officers engaged in

periodic calls with Defendant Jason Stone during which they sought to understand and assess

Defendants' trading strategies and assess risk. Significantly, Defendants' reporting practices were

unsatisfactory and not consistent with the parties' agreements. For example, Stone promised that

his team was designing and would soon deliver a so-called "wormhole" program that would

automatically track Defendants' deployments to provide greater transparency to Celsius

concerning Defendants' activities. To my knowledge, Stone never delivered on this promise.

5. In early 2021, I was told that Celsius had instructed Defendants to return the

cryptocurrency coins that Celsius had made available to them for deployment, so that Celsius could

perform an accounting and establish enhanced security protocols. To my knowledge, by late

2

March 2021 the Defendants still had not returned all the coins in their control.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true

and correct to the best of my knowledge and belief.

Dated: November 4, 2022